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Agenda item 111

Review of the efficiency of the administrative and financial functioning of the United Nations

Report of the Fifth Committee

Rapporteur: Mr. Haile Selassie **Getachew** (Ethiopia)

I. Introduction

1. At its 19th plenary meeting, on 20 September 2002, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its fifty-seventh session the item entitled "Review of the efficiency of the administrative and financial functioning of the United Nations" and to allocate it to the Fifth Committee.

2. The Fifth Committee considered the item at its 7th, 8th, 12th, 13th, 15th, 26th, 28th, 31st to 33rd and 38th meetings, on 14, 15, 21, 22, 24 October, 18 and 27 November and 9 to 11 and 16 December 2002. Statements and observations made in the course of the Committee's consideration of the item are reflected in the relevant summary records (A/C.5/57/SR.7, 8, 12, 13, 15, 26, 28, 31-33 and 38).

3. For its consideration of the item, the Committee had before it the following documents:

Procurement reform

(a) Report of the Secretary-General on procurement reform (A/57/187);

(b) Report of the Advisory Committee on Administrative and Budgetary Questions (A/57/7/Add.1, paras. 2-9);

Common services

(c) Report of the Secretary-General on common services (A/57/176);

(d) Report of the Advisory Committee on Administrative and Budgetary Questions (A/57/7/Add.3);

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Proposed programme budget outline for the biennium 2004-2005

(e) Report of the Secretary-General on the proposed programme budget outline for the biennium 2004-2005 (A/57/85);

(f) Report of the Committee for Programme and Coordination on the work of its forty-second session;[1]

(g) Report of the Advisory Committee on Administrative and Budgetary Questions (A/57/636).

II. Consideration of proposals

A. Draft resolution A/C.5/57/L.22

4. At the 28th meeting, on 27 November, the representative of Argentina, Vice-Chairman of the Committee and coordinator of the informal consultations on this question, introduced a draft resolution entitled "Procurement reform" (A/C.5/57/L.22).

5. At the same meeting, the Committee adopted draft resolution A/C.5/55/L.22 without a vote (see para. 14, draft resolution I).

B. Draft resolution A/C.5/57/L.45

6. At the 38th meeting, on 16 December, the Committee had before it a draft resolution entitled "Proposed programme budget outline for the biennium 2004-2005" (A/C.5/57/L.45), which was submitted by the Chairman on the basis of informal consultations coordinated by the representative of Belgium, Vice-Chairman of the Committee.

7. At the same meeting, the Committee adopted draft resolution A/C.5/57/L.45 without a vote (see para. 14, draft resolution II).

C. Draft decision A/C.5/57/L.14

8. At the 15th meeting, on 24 October, the Committee had before it a draft decision entitled "Common services" (A/C.5/57/L.14), submitted by the Chairman.

9. At the same meeting, the Committee adopted draft decision A/C.5/57/L.14 without a vote (see para. 15, draft decision I).

D. Draft decision A/C.5/57/L.41

10. At the 38th meeting, on 16 December, the Committee had before it a draft decision entitled "Biennial programme of work of the Fifth Committee for 2003-2004" (A/C.5/57/L.41), submitted by the Chairman.

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[1] *Official Records of the General Assembly, Fifty-seventh Session, Supplement No. 16* (A/57/16), chap. II.

11. At the same meeting, the Committee adopted draft decision A/C.5/57/L.41 without a vote (see para. 15, draft decision II).

E. Draft decision A/C.5/57/L.42

12. At the 38th meeting, on 16 December, the Committee had before it a draft decision entitled "Action taken on certain items" (A/C.5/57/L.42), submitted by the Chairman.

13. At the same meeting, the Committee adopted draft decision A/C.5/57/L.42 without a vote (see para. 15, draft decision III).

III. Recommendations of the Fifth Committee

14. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolutions:

Draft resolution I
Procurement reform

The General Assembly,

Recalling its resolutions 52/214 B and 52/220 of 22 December 1997, 52/212 B of 31 March 1998, 52/252 of 8 September 1998, 53/204 and 53/208 B of 18 December 1998, 54/14 of 29 October 1999 and 55/247 of 12 April 2001,

Having considered the report of the Secretary-General on procurement reform[2] and the related report of the Advisory Committee on Administrative and Budgetary Questions,[3]

Stressing the importance of ensuring the safety of United Nations personnel and United Nations equipment,

1. *Takes note* of the report of the Secretary-General[2] and of the comments and observations contained in the report of the Advisory Committee on Administrative and Budgetary Questions;[3]

2. *Welcomes* the progress achieved in addressing the concerns expressed by the General Assembly in its resolution 55/247;

3. *Welcomes also* the efforts made by the Secretary-General to hold procurement seminars in various cities, in particular those located in developing countries and countries with economies in transition, and urges him to intensify his efforts in this regard;

4. *Notes* the activities of the Common Services Procurement Working Group on enhancing the transparency and increasing the harmonization of procurement practices, and encourages the Secretary-General and the executive

[2] A/57/187.
[3] A/57/7/Add.1, paras. 2-9.

heads of the United Nations funds and programmes to continue their work in this regard;

5. *Requests* the Secretary-General to encourage the organizations of the United Nations system, consistent with their respective mandates, to improve their procurement practices, inter alia, by simplifying the registration process for vendors that have already registered with another body of the United Nations system, utilizing, among other things, the Internet, and by placing the procurement information on their respective web sites;

6. *Also requests* the Secretary-General to encourage the organizations of the United Nations system, consistent with their respective mandates, to take further steps to increase procurement opportunities for vendors from developing countries and countries with economies in transition;

7. *Further requests* the Secretary-General to ensure, through, inter alia, the technical assessment of vendors, that air safety standards are met for all United Nations air transport operations and, where feasible, for freight forwarding;

8. *Requests* the Secretary-General to continue to ensure that the United Nations Secretariat and affiliated funds and programmes fully implement all recommendations of the Office of Internal Oversight Services and the Board of Auditors regarding procurement, in accordance with the Financial Regulations and Rules of the United Nations;

9. *Also requests* the Secretary-General to ensure that, on matters relating to procurement in the field, the Department of Peacekeeping Operations follows the principles of objectivity and impartiality while advising the Procurement Division;

10. *Further requests* the Secretary-General to submit to the General Assembly through the Office of Internal Oversight Services, no later than at its fifty-ninth session, a report on safeguarding air safety standards while procuring air services, in particular in the area of cargo airlifts, for the United Nations peacekeeping missions;

11. *Requests* the Secretary-General to report to the General Assembly on the implementation of the present resolution, as well as on all other aspects of procurement reform, no later than at its fifty-ninth session.

Draft resolution II
Proposed programme budget outline for the biennium 2004-2005

The General Assembly,

Reaffirming its resolution 41/213 of 19 December 1986, in which it requested the Secretary-General to submit, in off-budget years, an outline of the proposed programme budget for the following biennium,

Reaffirming also section VI of its resolution 45/248 B of 21 December 1990,

Reaffirming further rule 153 of its rules of procedure,

Recalling its resolutions 56/253 of 24 December 2001, 56/254 D of 27 March 2002, 56/287 of 27 June 2002 and 57/__ of __ December 2002,

Having considered the report of the Secretary-General on the proposed programme budget outline for the biennium 2004-2005,[4] the related recommendations of the Committee for Programme and Coordination[5] and the recommendations of the Advisory Committee on Administrative and Budgetary Questions,[6]

1. *Endorses* the relevant conclusions and recommendations contained in the report of the Committee for Programme and Coordination[5] and the observations and recommendations of the Advisory Committee on Administrative and Budgetary Questions;[6]

2. *Reaffirms* that the proposed programme budget outline shall contain an indication of the following:

(a) A preliminary estimate of resources needed to accommodate the proposed programme of activities during the biennium;

(b) Priorities reflecting general trends of a broad sectoral nature;

(c) Real growth, positive or negative, compared with the previous budget;

(d) Size of the contingency fund expressed as a percentage of the overall level of resources;

3. *Also reaffirms* that the budget outline should provide a greater level of predictability of resources required for the following biennium and promote greater involvement of Member States in the budgetary process, thereby facilitating the broadest possible agreement on the programme budget;

4. *Further reaffirms* that the budget proposals of the Secretary-General should reflect resource levels commensurate with mandates for their full, efficient and effective implementation;

5. *Reiterates its request* to the Secretary-General to submit, in the proposed programme budget for the biennium 2004-2005, the total amount of resources that he should have at his disposal, from all sources of financing, in order to implement fully all mandated programmes and activities;

6. *Notes* that the budget outline is a preliminary estimate of resources;

7. *Requests* the Secretary-General to continue to include in the proposed budget outlines and proposed programme budget provisions for expenditures for special political missions related to peace and security expected to be extended or approved in the course of the biennium;

8. *Also requests* the Secretary-General to make appropriate provisions in the proposed programme budget for the biennium 2004-2005 to minimize adverse impacts on the provision of adequate conference services and other related services, in accordance with its resolutions 56/254 D and 56/287, drawing, inter alia, on the improvements made in the management of conference services;

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[4] A/57/85.

[5] *Official Records of the General Assembly, Fifty-seventh Session, Supplement No. 16* (A/57/16), chap. II, paras. 25 and 26.

[6] See A/57/636.

9. *Invites* the Secretary-General to prepare his proposed programme budget for the biennium 2004-2005 on the basis of a preliminary estimate of 2,876 million United States dollars at revised 2002-2003 rates;

10. *Requests* the Secretary-General to resubmit the proposed information technology strategy in accordance with resolution 56/239 of 24 December 2001 during the resumed fifty-seventh session of the General Assembly;

11. *Decides* to consider in the proposed programme budget for the biennium 2004-2005, in addition to the preliminary estimate, a provision in the amount of 29.8 million dollars for information technology and common services facility infrastructure, bearing in mind the comments of the Secretary-General in paragraph 5 of his report;[4]

12. *Also decides* that the proposed programme budget for the biennium 2004-2005 shall contain provisions for recosting on the basis of the existing methodology;

13. *Further decides* that the priorities for the biennium 2004-2005 are the following:

(a) Maintenance of international peace and security;

(b) Promotion of sustained economic growth and sustainable development, in accordance with the relevant resolutions of the General Assembly and recent United Nations conferences;

(c) Development of Africa;

(d) Promotion of human rights;

(e) Effective coordination of humanitarian assistance efforts;

(f) Promotion of justice and international law;

(g) Disarmament;

(h) Drug control, crime prevention and combating international terrorism in all its forms and manifestations;

14. *Requests* the Secretary-General, in view of his preliminary indicative estimates contained in the proposed budget outline to reflect the priorities outlined in paragraph 13 above when presenting the proposed programme budget for the biennium 2004-2005;

15. *Decides* that the contingency fund shall be set at the level of 0.75 per cent of the preliminary estimate, namely at 21.6 million dollars, that this amount shall be in addition to the overall level of the preliminary estimate and that it shall be used in accordance with the procedures for the use and operation of the contingency fund.

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15. The Fifth Committee also recommends to the General Assembly the adoption of the following draft decisions:

Draft decision I
Common services

The General Assembly decides to take note of the report of the Secretary-General on common services.[7]

Draft decision II
Biennial programme of work of the Fifth Committee for 2003-2004

The General Assembly, in accordance with paragraph 6 of its resolution 46/220 of 20 December 1991, approves the biennial programme of work of the Fifth Committee for the biennium 2003-2004, which is annexed to the present decision.

Annex

Biennial programme of work of the Fifth Committee for 2003-2004

A
Programme of work for 2003

1. Review of the efficiency of the administrative and financial functioning of the United Nations
2. Programme budget for the biennium 2002-2003
3. Proposed programme budget for the biennium 2004-2005
4. Improving the financial situation of the United Nations
5. Joint Inspection Unit
6. Pattern of conferences
7. Scale of assessments for the apportionment of the expenses of the United Nations
8. United Nations common system
9. Report of the Secretary-General on the activities of the Office of Internal Oversight Services
10. Financing of the United Nations peacekeeping operations
11. Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations
12. Report of the Economic and Social Council
13. Appointments to fill vacancies in subsidiary organs and other appointments

B
Programme of work for 2004

1. Financial reports and audited financial statements, and reports of the Board of Auditors

[7] A/57/176.

2. Review of the efficiency of the administrative and financial functioning of the United Nations

3. Programme budget for the biennium 2002-2003

4. Programme planning

5. Improving the financial situation of the United Nations

6. Administrative and budgetary coordination of the United Nations with the specialized agencies and the International Atomic Energy Agency

7. Pattern of conferences

8. Scale of assessments for the apportionment of the expenses of the United Nations

9. Human resources management

10. United Nations common system

11. United Nations pension system

12. Joint Inspection Unit

13. Report of the Secretary-General on the activities of the Office of Internal Oversight Services

14. Financing of the United Nations peacekeeping operations

15. Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

16. Report of the Economic and Social Council

17. Appointments to fill vacancies in subsidiary organs and other appointments

Draft decision III
Action taken on certain items

The General Assembly decides that the Fifth Committee should continue its consideration of the following agenda items at its resumed fifty-seventh session:

Item 110: Financial reports and audited financial statements, and reports of the Board of Auditors;

Item 111: Review of the efficiency of the administrative and financial functioning of the United Nations;

Item 112: Programme budget for the biennium 2002-2003;

Item 114: Improving the financial situation of the United Nations;

Item 116: Pattern of conferences;

Item 117: Scale of assessments for the apportionment of the expenses of the United Nations;

Item 118: Human resources management;

Item 122: Report of the Secretary-General on the activities of the Office of Internal Oversight Services;

Item 123: Administration of justice at the United Nations;

Item 126: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations;

Item 127: Financing of the United Nations peacekeeping forces in the Middle East:

(a) United Nations Disengagement Observer Force;

(b) United Nations Interim Force in Lebanon;

Item 128: Financing of the United Nations Interim Administration Mission in Kosovo;

Item 129: Financing of the United Nations Transitional Administration in East Timor and the United Nations Mission of Support in East Timor;

Item 130: Financing of the United Nations Mission in Ethiopia and Eritrea;

Item 131: Financing of the United Nations Angola Verification Mission and the United Nations Observer Mission in Angola;

Item 132: Financing of the activities arising from Security Council resolution 687 (1991):

(a) United Nations Iraq-Kuwait Observation Mission;

(b) Other activities;

Item 133: Financing of the United Nations Mission in East Timor;

Item 134: Financing of the United Nations Mission in Sierra Leone;

Item 135: Financing of the United Nations Mission for the Referendum in Western Sahara;

Item 136: Financing of the United Nations Mission of Observers in Tajikistan;

Item 137: Financing of the United Nations Preventive Deployment Force;

Item 138: Financing and liquidation of the United Nations Transitional Authority in Cambodia;

Item 139: Financing of the United Nations Protection Force, the United Nations Confidence Restoration Operation in Croatia, the United Nations Preventive Deployment Force and the United Nations Peace Forces headquarters;

Item 140: Financing of the United Nations Operation in Somalia II;

Item 141: Financing of the United Nations Operation in Mozambique;

Item 142: Financing of the United Nations Peacekeeping Force in Cyprus;

Item 143: Financing of the United Nations Observer Mission in Georgia;

Item 144: Financing of the United Nations Mission in Haiti;

Item 145: Financing of the United Nations Observer Mission in Liberia;

Item 146: Financing of the United Nations Assistance Mission for Rwanda;

Item 147: Financing of the United Nations Mission in Bosnia and Herzegovina;

Item 148: Financing of the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium and the Civilian Police Support Group;

Item 149: Financing of the United Nations Support Mission in Haiti, the United Nations Transition Mission in Haiti and the United Nations Civilian Police Mission in Haiti;

Item 150: Financing of the United Nations Mission in the Central African Republic;

Item 151: Financing of the United Nations Organization Mission in the Democratic Republic of the Congo.